

## FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20168

RQ-3

August 8, 2002

Donna M. Anderson, Treasurer
National Republican Congressional Committee -Expenditures
320 First Street
Washington, DC 20003

Identification Number:

C00075820

Reference:

February Monthly Report (1/1/02-1/31/02)

Dear Ms. Anderson:

On July 17, 2002, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your amendment, filed July 10, 2002, has provided some but not all the requested information. Please amend your report to address the remaining issues. An itemization follows:

On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include a unique identifying title or code for the payment(s) made to several payers. 11 CFR §104.10. Please amend this report to provide a unique identifying title or code for each entry omitting this information.

-Schedule H4 discloses payments made to credit card companies for shared federal and non-federal activity. Please be advised that these payments must identify as memo entries, the original vendors from which you have purchased an item or service regardless of the amount. Please amend your report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each expenditure. 11 CFR §104.10.

-Your report discloses in-kind contributions ("donations") from corporations on Schedule H4, supporting Line 21(a) of the Detailed

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Summary Page (pertinent portions attached). Pursuant to Advisory Opinion 1992-33, the Commission concluded that a "national party committee may accept corporate in-kind donations in connection with fundraising activities" as long as "the federal share of goods or services is paid or transferred to the non-federal account in advance" of the acceptance of the corporate in-kind donations by the federal account.

Advisory Opinion 1992-33 also discloses a detailed method for reporting the receipt and use of in-kind contributions as follows:

- 1. The transfer of the in-kind corporate contribution from the non-federal account to the federal account should be disclosed on Schedule H3. The itemization on Schedule H3 should include the date the Committee received the in-kind contribution, the amount of the contribution and the fundraising event involved.
- 2. The use or expenditure of in-kind corporate contributions should be disclosed on Schedule H4 as non-federal share disbursements. The itemization should provide the same donor identification information required on a Schedule A for in-kind contributions for Federal elections.
- 3. A second entry on Schedule H4 should then disclose the advance or contemporaneous payment of the federal account's share of the in-kind corporate contribution to the non-federal account.

Please amend your report to properly disclose the in-kind corporate contributions received by your committee (example enclosed).

An adequate response must be received at the Commission by August 28, 2002. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any

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questions related to this matter, please contact Andrea Needles on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to teach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

John D. Gibson

John D. St.1\_

Assistant Staff Director Reports Analysis Division

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